

Politics of a Hung Parliament: The Minority Gillard Labor Government in the 43rd Federal Australian Parliament

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1. Introduction—a rare situation in Australian politics

Minority governments, which rely on a coalition of parties, are common in many parliamentary systems; the UK, Canada and New Zealand being recent examples.¹⁾ However, minority federal government is unusual in Australia; the last time this previously occurred was over 70 years ago, in 1940–43. The preferential electoral system usually delivers a majority to either of the major political parties, the social democratic Australian Labor Party (ALP), or the conservative Liberal and National parties (who traditionally operate together in a party alliance known as the Coalition). Minority government has been more common at the State level though, as is presently the case in South Australia, Tasmania and the Australian Capital Territory (ACT).²⁾

The federal election of August 2010 was therefore exceptional, in that it delivered a hung parliament, with neither of the major parties achieving a majority in the 150–seat lower House of Representatives, the constitutional requirement for forming Government.³⁾ This article will examine the legislative record thus far of the minority Labor Government, led by Prime Minister Julia Gillard, assess its political difficulties, and the potential future electoral implications the experience of minority Government is likely to present in future.

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1) Akash Paun, 'After the age of majority? Multi-party governance and the Westminster model', *Commonwealth & Comparative Politics*, Vol.49, No.4, November, 2011, p.441.

2) Nicolas Horne, 'Hung parliaments and minority governments', *Parliamentary Library Background Note*, Parliament of Australia: Department of Parliamentary Services, December 23, 2010, pp.10–12.

3) Australian Electoral Commission, Election 2010 House of Representatives Results.

The lead-up to the hung parliament was in the wake of another extraordinary event in Australian politics, the overthrow of Prime Minister Kevin Rudd in a party-room revolt on June 24, 2010, with his replacement by Julia Gillard, who became Australia's first female Prime Minister. This was the first time a sitting Australian Prime Minister had been deposed by their party before completing a single term of office. It occurred despite the success of the Rudd Government in handling the Global Financial Crisis (GFC) in 2008–2009, mostly due to a \$9 billion stimulus package, and effective regulation of Australia's financial sector. Even though Rudd had decisively swept to power in 2007, defeating long-serving former Coalition Prime Minister John Howard (in power since 1996), by 2010 Rudd had alienated his backbench with his aloof and arrogant behaviour. He also panicked his Cabinet through his major policy backdowns on planned mining taxes and abandoning a carbon emissions trading scheme, which saw Rudd lose public credibility, and resulted in a dramatic slump for Labor in the opinion polls.⁴⁾

The August 21, 2010 election, following a drab and uninspiring six-week campaign, resulted in 72 lower house seats each for Labor and the Coalition, based on a 50:50 two-party-preferred (2 PP) popular vote; five independents and one Greens Member of Parliament (MP) made up the remainder of seats on the crossbenches, holding the balance of power. After seventeen days of negotiations with the independents by both major parties, an agreement was reached by Labor with three regionally-based independents—Tony Windsor, Rob Oakeshott and Andrew Wilkie, along with the Greens, to support a minority Labor Government.⁵⁾ The balance of power in the 76-seat Senate, the upper house of parliament, ended up passing to the Greens on July 2011, once the terms of the Senators from the previous Parliament expired (the present Senate comprising 34 Coalition Senators, 31 ALP, 9 Greens, 1 Democratic Labor Party (DLP), and 1 Independent).⁶⁾

2. Legislative Achievements of the Gillard Government

Numerous important reforms have been made, and policies implemented by the minority Labor Government, through legislation successfully passed following negotiations with the Independent crossbenchers and the Greens. Some of the most significant include:

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- 4) George Megalogenis, *The Australian Moment: How We Were Made for These Times*, Penguin: Camberwell, 2012, pp.340–345, 352.
 - 5) Barrie Cassidy, *The Party Thieves: The Real Story of the 2010 Election*, Melbourne University Press, Carlton, 2012, pp.222–223, 230–234.
 - 6) Parliament of the Commonwealth of Australia, 'Ministerial Representation & Senate Office Holders in the Senate, 43rd Parliament', September 10, 2012, p.2

- pricing carbon emissions (commonly referred to as the ‘carbon tax’), which incorporates raising the income-tax free threshold to \$18,200, and increased tax and welfare compensation to lower to middle income earners;
- a mining super-profits tax, which aims to take advantage of the commodities boom, to have the windfall revenue from the mining industry directed towards economic infrastructure and support for small business;
- a paid parental leave scheme;
- improved spending on and coordination of health services, including for mental health, and \$4 billion for dental services;
- the \$8 billion National Disability Insurance Scheme (NDIS);
- the National Broadband Network (NBN) (although this continues to face criticism for a slower than expected rollout);
- an increase in aged pensions and superannuation (employer-subsidised pension schemes, estimated to be worth A\$4 trillion by 2015);
- and establishing a network of marine parks and sanctuaries.⁷⁾

Another highly politically contentious issue which has seen legislation passed, with bipartisan support from the Coalition (but opposed by the Greens), has re-established the offshore processing of asylum seekers in Nauru and Papua New Guinea. This is effectively restarting the ‘Pacific Solution’ of the Howard Coalition Government, following the recommendations of a panel of experts (the Houston Report).⁸⁾ Also vitally important to any government, each of the Gillard Government’s budget bills have been passed largely intact. As of October 2012, 341 assented bills had been passed by the 43rd Parliament.⁹⁾

3. Political Challenges of the Gillard Government

Despite this record of achievement, the Gillard Labor Government has been relatively unpopular, remaining consistently well behind the Opposition in opinion polls. This situation goes to the enduring issue of the Government’s legitimacy, with the legacy of former PM Kevin Rudd being deposed in 2010 remaining a sore point for Labor. Rudd’s continuing presence as a backbench MP is a nagging reminder of potential leadership tensions within the ALP, although this was supposedly resolved

7) Steve Bracks, ‘A prime minister who embodies the best of Labor’, *The Sydney Morning Herald*, September 29, 2012.

8) Australian Government, ‘Report of the Expert Panel on Asylum Seekers’, August 2012, Canberra, pp.14–18.

9) Parliament of the Commonwealth of Australia, ‘Assented Bills of the Current Parliament’, October 11, 2012.

with Rudd's unsuccessful leadership challenge in February 2012. Rudd still remains the preferred Labor leader in opinion polls, while former Liberal leader Malcolm Turnbull is similarly preferred in polls to Opposition Leader Tony Abbott.¹⁰⁾

Abbott has nevertheless relentlessly kept up a constant criticism of the carbon price policy as a broken promise by Gillard, since she had previously said there would be no carbon tax in the 2010 election campaign. However, implementing a carbon price was one of the major conditions the Greens had demanded for supporting the minority Labor government in a hung parliament. The Opposition Coalition parties and their supporters in the conservative media have also consistently sought to impart an image of the Gillard Government as ineffective, incompetent, wasteful, unresponsive and unrepresentative, particularly criticizing the carbon and mining taxes as adding to the costs of business, and ultimately adding to the cost of living of consumers.¹¹⁾ The Opposition has been assisted in its efforts by a number of political scandals, which have dogged the Labor Government.

A hung parliament has dramatically intensified the political importance of the fate of individual MPs, and so the Opposition has been heated in its pursuit of former Labor MP Craig Thomson. The backbench MP has been under investigation for allegedly rorting union funds while head of the Health Services Union (HSU), before entering parliament. With the minority Government still reliant on his vote, under increasing media scrutiny and pressure from the Opposition, Thomson was eventually forced to resign from the ALP in April 2012, to sit as a cross-bench Independent. Thomson's fate is still in the hands of the courts, and it remains uncertain if criminal or civil charges will be laid before the next election (due between August 3 and November 30 2013, when the Government's term of office expires). Former ALP National President and HSU leader Michael Williamson has also now been charged by police for impeding investigations into corruption. This remains damaging to the image of the Gillard Labor Government, which had hoped the Thomson issue had been effectively sidelined, as the Opposition emphasizes the trade union movement's traditional ties to the ALP.¹²⁾

An attempt to shore up its numbers also backfired for the Government, when it appointed defecting Liberal-National Party (LNP) MP Peter Slipper as Speaker of the Parliament in November 2011 (Slipper was facing disendorsement from the LNP, and subsequently became an Independent). Slipper's position was suspended in May 2012, and he was ultimately driven to resign as Speaker in October, arising

10) Katherine Murphy, 'Swords come at Gillard from all sides', *The Age*, September 17, 2012.

11) Robert Manne, 'The Long Goodbye: Explaining Gillard's Collapse', *The Monthly*, March 29, 2012.

12) Jake Mitchell and Pip Freebairn, 'HSU arrest puts heat on Gillard', *The Australian Financial Review*, October 5, 2012.

from criminal charges over sexual harassment accusations and abuse of travel entitlements, (which remained before the courts at the time of writing). Should either Slipper or Thomson be forced from parliament, this would threaten the Government's slim minority hold on power; the Government will need the votes of five out the now seven crossbenchers to pass legislation for the remainder of the Parliament.¹³⁾

4. Electoral Prospects for the Gillard Government

Despite the perils of a hung parliament, the Gillard Government has shown that effective legislation and policy can be delivered, and the Australian economy remains the best performing in the OECD, despite the overall weakness of the global economy. As of October 2012, leading economic indicators were retaining their long-term positive trend, particularly continuing positive economic growth (3.4%), relatively low unemployment (5.3%), low inflation (1.2%), stable interest rates (cash rate 3.25%), low debt (debt to GDP ratio 24.8%), and AAA credit ratings.¹⁴⁾ However, poor political marketing of these achievements has been blamed for Labor's adverse polling throughout the period of the Gillard Government. Despite carrying out nation-building policies, the ALP under Kevin Rudd, and then Julia Gillard, has not been able to successfully project a forceful nation-building image to the electorate.¹⁵⁾

Labor's opinion polls have seen some recent marginal improvement, but are remaining well behind the Coalition: in September 2012, the ALP's primary vote was polled at 34%, the Coalition 45%, the Greens 10%, and Others 11%; the two-party preferred (2 PP) vote has the Coalition ahead of the ALP 53–47%. While Gillard remains consistently unpopular as PM, with low aggregate approval ratings, Abbott remains no more popular, Gillard leading Abbott as preferred Prime Minister 42–36%.¹⁶⁾ Labor hopes greater pressure and media attention on Abbott's somewhat rambunctious personality in the lead-up to the election will only raise doubts among the public about his suitability to become Prime Minister.¹⁷⁾ Prime Minister Gillard has mounted a fierce attack on Abbott in parliament, charging him with sexist behaviour, to further reinforce this strategy.¹⁸⁾

13) Phillip Coorey, 'The biggest loser is Labor', *The Sydney Morning Herald*, October 10, 2012.

14) Reserve Bank of Australia, 'The Australian Economy and Financial Markets', Chart Pack October 2012.

15) Tim Soutphommasane, 'Labour adrift without intellectual firepower', *The Age*, July 16, 2012.

16) Australian Broadcasting Corporation, 'Poll of polls', *Insiders*, September 30, 2012.

17) David Marr, 'Political Animal: The Making of Tony Abbott', *Quarterly Essay*, Issue 47, 2012, pp.91–92.

18) Amelia Lester, 'Ladylike: Julia Gillard's Misogyny Speech', *The New Yorker*, October 9, 2012.

While the carbon price remains unpopular (48% of those polled oppose it), the Coalition scare campaign against it has diminished, as it has come up against people's actual experiences.¹⁹⁾ Although offshore processing of asylum seekers has been reintroduced, this has not stopped their continuing arrival by dangerous boat journeys via Indonesia. The Opposition will therefore still seek to maintain pressure on this issue, while the Greens remain opposed to the policy, which may cost up to \$5 billion. Debate over education and health funding is likely to play to the traditional strengths of ALP, with the Gonski Review reforms, which plan to increase education spending by \$6.5 billion, particularly targeting disadvantaged schools and communities. Labor is sure to highlight fears that the Coalition will privilege private schools and private health care, as part of overall deep cuts to public services. These would cost up to \$80 billion, if the Coalition is to deliver surplus budgets while repealing the carbon tax and mining tax, and increasing military spending, as it has pledged to do.²⁰⁾

5. Conclusion—a Hung Parliament Unlikely to be Repeated

The Australian electorate is likely to remain wary of its experience of a hung Parliament, and will probably ensure it is not repeated for another couple of generations. The turbulent legacy of the Gillard minority Government is certain to be wielded against the Labor Party by its political opponents in the lead-up to the 2013 election, where the ALP faces severe defeat, unless its political fortunes dramatically improve.

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- 19) Michelle Grattan, 'Carbon tax could still cause damage', *The Sydney Morning Herald*, October 8, 2012.
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